

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 CAPITOL MALL, 17TH FLOOR
SACRAMENTO, CALIFORNIA 95814

RH04039377

CALIFORNIA CODE OF REGULATIONS, TITLE 10.
CHAPTER 5, SUBCHAPTER 1

AMENDS ARTICLE 1. TO READ:

PRODUCTION OF INSURANCE

ARTICLE 1. Standards for Approval and Disapproval of Names of Insurance Producers

Section 2052.1 Proposed Name Too Similar to Name Already in Use or Under Reservation.

Except for the bona fide natural name of an individual, no name proposed by an applicant or licensed producer shall be approved if such name is too similar to a name already approved for use by another applicant or licensee of the Department of Insurance. Similarity is determined by comparing the first two, or more, words, initials, and/or numbers in the proposed name, with any or all of the words, initials, and/or numbers of all existing approved names.

NOTE: Authority cited: Section 790.010, Insurance Code. Reference: Section 1724.5, Insurance Code.

Section 2052.4 When Proposed Name Is Misleading.

No name proposed by an applicant or licensed producer (other than the bona fide natural name of an individual) shall be approved if it appears that use of the proposed name may mislead the public in any respect. When the true name of an organization is disapproved under these regulations, said organization may operate under an approved fictitious name provided that a commitment to use said approved fictitious name exclusively in the solicitations of insurance is made by the applicant or licensee to the Commissioner. A disapproval under this section may be based on one or more of the following criteria:

(a) The name is the same as, closely resembles, borrows on the name of, or implies affiliation with or sponsorship by, a federal, state, or local governmental authority or program.

(b) The name is the same as the name of a well-known company, or is so similar in spelling, pronunciation or appearance to the name, trade name, trademark or service mark, logo, or symbol of a well-known company as to borrow on the name of, or imply affiliation with, the said well-known company. This rule shall apply whether or not the company or business entity that would suffer the infringement is licensed by the Insurance Commissioner or regulated by the Department of Insurance, or is otherwise identified with the insurance industry.

(c) The name fails to state or clearly indicate that the applicant or licensed producer is or will be an insurance producer by any of the following:

1. Failing to include in its name the word “insurance” followed by one of the following definitive words: “agency”, “services”, “marketing”, “sales”, “solutions”, “center”, and under certain conditions “broker”, “brokers”, “brokerage”, & “associates”.

2. An administrator or applicant for an administrator certificate that fails to include one of the following words in its name: "administrator", "administrative", or "administration".

3. A bail applicant or bail licensee that fails to include the word "bail" in its name.

(d) The name states or implies, or would lead reasonable persons to infer:

(1) That the applicant or licensee is primarily engaged in some line of business other than the insurance business, and the applicant cannot qualify for any of the exceptions set forth in paragraphs (2), (3), and (4) of this subsection.

(2) That the applicant or licensee has expertise in the area of investment, tax shelter, financial or estate planning or computer programming. An applicant may overcome this objection by showing that he qualifies under either of the two following exceptions:

(i) An exception to this rule may be made on a case by case basis where the applicant or licensee holds a certificate as a broker/dealer under California Corporations Code Section 25210 and/or where applicant holds a certificate as an investment adviser under the provisions of California Corporations Code Section 25230, and applicant has submitted evidence satisfactory to the Commissioner that in excess of 80% of applicant's net income from the said business entity for which name approval is being sought is derived from sources of business other than insurance. The foregoing exception is not available to an agent of a broker-dealer, as the word "agent" is defined in California Corporations Code Section 25003.

(ii) An exception to this rule may be made on a case by case basis where a licensee is seeking approval for the use as a corporate name the same name, whether true or fictitious, in which he is licensed as an unincorporated producer, provided the said licensee is an officer owning 10% or more of the shares of the corporate applicant for license. The foregoing exception, however, shall not be available to an applicant or a licensee who purchases the unincorporated business or businesses of another licensed producer subsequent to the adoption of these regulations.

(3) That the applicant or licensee is a regulated finance or mortgage company. An exception to this rule may be made where the applicant presents evidence satisfactory to the Commissioner that applicant's principal business is that of a regulated finance or mortgage company and that 80% of applicant's net income from said business entity is derived from sources of business other than insurance or where the applicant presents a verified statement to the effect that insurance coverage will be written only on those persons who are customers of the finance or mortgage company generally identified with the name for which approval is sought. This exception to the rule shall apply whether the applicant is a regulated finance or mortgage company or is held or controlled by a regulated finance or mortgage company.

(4) That the applicant or licensee is engaged in any other business activity, including but not limited to retail sales or benefits consulting. An exception to this rule may be made where the applicant presents evidence satisfactory to the Commissioner that applicant's principal business is that of retail sales having nothing to do with insurance and that 80% of applicant's net income from said business entity is derived from sources of business other than insurance or where the applicant presents a verified statement to the effect that insurance coverage will be written only on those persons who are customers of the retail business generally identified with the name for which approval is sought. This exception to the rule shall apply whether the applicant is the said retail business entity or is held or controlled by such business entity.

~~(d)~~ (e) The name makes use of one or more of the following words or phrases in its singular or plural form or a derivation of one or more of such words or phrases:

(1) "A," singly or in a series of such capital letters as the initial part of a name;

(2) "Advisor" ~~or "Advisors,"~~

~~(3) "Advocate";~~

~~(3) "Agency" unless the licensee holds or is applying for an agent's license;~~

~~(3) (4) "Analyst," or any derivation unless the licensee holds or is applying for a Life and Disability Analyst License;~~

~~(4) (5)~~ "Assigned Risk";

~~(5) (6)~~ “Assurance”;
~~(7)~~ “Broker” or “Brokers” unless the licensee holds or is applying for a broker’s license;
~~(6) (7) (8)~~ “Bureau”;
~~(7) (8) (9)~~ “Cal-Med”;
~~(9)~~ “Certified”;
~~(8) (10)~~ “Citius Altius Fortius”;
~~(9) (11)~~ “Compensation”;
~~(10) (12)~~ “Consultant” or “Consultants”;
~~(11) (13)~~ “Consumer”;
~~(12) (14)~~ “Counselor” or “Counsellor” or “Counsellors”;
~~(13) (15)~~ “Credit Union” unless the licensee is a Credit Union”;
~~(14) (21) (16)~~ “Department”;
~~(15) (17)~~ “Deposit Insurance”;
~~(23) (18)~~ “Education”;
~~(24) (19)~~ “Elder”;
~~(16) (20)~~ “Excess”, unless the licensee holds or is applying for a Surplus Line Broker license;
~~(17) (21)~~ “E&S”, unless the licensee holds or is applying for a Surplus Line Broker license;
~~(25) (22)~~ “Expert”;
~~(18) (18) (23)~~ “Federal”;
~~(19) (19) (24)~~ “Government”;
~~(20)~~ “Group”;
~~(20) (21) (25)~~ “Indemnity”;
~~(21) (22) (26)~~ “Institute”;
~~(22) (23) (27)~~ “Insurance” when comprising the last word (e.g., Great Cliff Insurance) or preceding
“Company” or “Corporation” or “Incorporated” or “Inc.”, or “Limited” or “Ltd”, or “Limited Liability Company”
or “LLC”, or “Limited Liability Partnership” or “LLP”;
~~(23) (24) (28)~~ “Insurer” or “Insurers”;
~~(24) (25) (29)~~ “Insuror” or “Insurors”;
~~(25) (26) (30)~~ “Investment” or “Investments”;
~~(26) (27) (31)~~ “Investor” or “Investors”;
~~(27) (28) (32)~~ “Life” when comprising the last word (e.g., Acme United Life);
~~(28) (29) (33)~~ “Medi” when used as the first part or prefix of a word (e.g., Medical, Medi-Cal,
Medifund, Mediplan, and similar combinations);
~~(29) (30) (34)~~ “Mortgage Guarantee” or “Mortgage Guaranty”;
~~(30) (31) (35)~~ “National”;
~~(31) (32) (36)~~ “Nationwide” (except when an agent representing an insurance company whose name
contains the word “Nationwide” and the agent is authorized by said company to use the word to identify with such
insurer);
~~(32) (33) (37)~~ “No Fault”;
~~(33) (34) (38)~~ “Olympic”;
~~(34) (35) (39)~~ “Olympiad”;
~~(35) (36) (40)~~ “Plan”;
~~(41)~~ “Provider”;
~~(36) (42)~~ “Reinsurance”, unless the licensee holds or is applying for a Reinsurance Intermediary-
Broker or Reinsurance Intermediary-Manager license;
~~(37) (37) (43)~~ “Reserve”;
~~(44)~~ “Retire”;
~~(45)~~ “Safe”;
~~(46)~~ “Secure”;
~~(47)~~ “Senior”;
~~(38) (38) (48)~~ “Social Security”;
~~(49)~~ “Specialist”;
~~(39) (39) (50)~~ “State”;
~~(41)~~ “Transcontinental”;
~~(40) (42) (51)~~ “Trust”;
~~(41) (43) (52)~~ “Underwriter,” “Underwriters” or “Underwriting”;
~~(42) (44) (53)~~ “United States,” “U.S.” or “U.S.A.”;
~~(43) (45) (54)~~ “Veteran” or “Veterans.”

(e) (f) The name improperly makes use of one or more of the following words or phrases in its singular or plural form or a derivation of one or more of such words or phrases:

- (1) "Administrators";
- (2) "Advocate";
- (3) ~~(2)~~ "Affordable";
- (4) ~~(3)~~ "Asset";
- (5) ~~(2)~~ ~~(4)~~ "Associate" or "Associates";
- (3) ~~"Benefit" or "Benefits";~~
- (6) ~~(5)~~ "Broker";
- (7) ~~(4)~~ ~~(6)~~ "California";
- (8) ~~(5)~~ ~~(7)~~ "Care";
- (9) "Cash";
- (10) "Certified";
- (11) "Cheap";
- (12) ~~(6)~~ ~~(10)~~ "City";
- (13) ~~(7)~~ ~~(11)~~ "Company";
- (14) ~~(8)~~ ~~(12)~~ "Consolidated";
- (15) "Cost";
- (16) ~~(9)~~ ~~(14)~~ "County";
- (17) "Discount";
- (18) "Education";
- (19) "Elder";
- (20) ~~(10)~~ ~~(16)~~ "Enterprises";
- (21) ~~(17)~~ "Entitlement";
- (22) ~~(18)~~ "Equity";
- (23) ~~(19)~~ "Estate";
- (24) "Expert";
- (25) ~~(20)~~ "Franchise";
- (26) ~~(21)~~ "Group";
- (27) ~~(22)~~ "Legal";
- (28) ~~(23)~~ "Long Term Care";
- (29) ~~(24)~~ "Money";
- (30) ~~(25)~~ "Mature";
- (31) ~~(26)~~ "Price";
- (32) ~~(27)~~ "Protection";
- (33) "Provider";
- (34) "Retire";
- (35) "Safe";
- (36) "Secure";
- (37) ~~(28)~~ "Securities";
- (38) "Senior";
- (39) "Specialist";
- (40) ~~(29)~~ "Tax";
- (41) ~~(30)~~ "Transcontinental";

NOTE: Authority cited: Section 790.010, Insurance Code. Reference: Section 1724.5, Insurance Code.